

# ECONOMIC SURVEY 2022 HIGHLIGHTS: GDP ESTIMATE TO COVID DISRUPTIONS - 10 POINTS

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Public Finance, Taxation & Black Money incl. Government Budgeting

India's Gross Domestic Product (GDP) is expected to expand by 9.2 per cent in the current financial year

Finance Minister Nirmala Sitharaman tabled the [Economic Survey 2021-22](#) in Lok Sabha on the first day of the Budget Session of Parliament. India's Gross Domestic Product (GDP) is expected to expand by 9.2 per cent in the current financial year, according to the Economic Survey 2021-22.

## Economic Survey 2022 highlights: 10 points

-Advance estimates suggest that the Indian economy is expected to witness real GDP expansion of 9.2 per cent in 2021-22 after contracting in 2020-21. This implies that overall economic activity has recovered past the pre-pandemic levels.

-Agriculture and allied sectors have been the least impacted by the pandemic and the sector is expected to grow by 3.9 per cent in 2021-22 after growing 3.6 per cent in the previous year.

-The Services sector has been the hardest hit by the pandemic, especially segments that involve human contact. This sector is estimated to grow by 8.2 per cent this financial year following last year's 8.4 per cent contraction.

-Total Consumption is estimated to have grown by 7.0 per cent in 2021-22 with significant contributions from government spending. Similarly, Gross Fixed Capital Formation exceeded pre-pandemic levels on the back of ramped up public expenditure on infrastructure.

-Exports of both goods and services have been exceptionally strong so far in 2021-22, but imports also recovered strongly with recovery in domestic demand as well as higher international commodity prices.

-Despite all the disruptions caused by the global pandemic, India's balance of payments remained in surplus throughout the last two years. This allowed the Reserve Bank of India to keep accumulating foreign exchange reserves (they stood at US\$ 634 billion on 31st December 2021). This is equivalent to 13.2 months of merchandise imports and is higher than the country's external debt.

-A strong rebound in government revenues in 2021-22 has meant that the Government will comfortably meet its targets for the year while maintaining the support, and ramping up capital expenditure. The strong revival in revenues (revenue receipts were up over 67 per cent YoY in April-November 2021) means that the Government has fiscal space to provide additional support if necessary.

-India's capital markets, like many global markets, have done exceptionally well and have allowed record mobilization of risk capital for Indian companies.

-The banking system is well capitalized and the overhang of Non-Performing Assets seem to

have structurally declined even allowing for some lagged impact of the pandemic.

-India does need to be wary of imported inflation, especially from elevated global energy prices.

-Overall, macro-economic stability indicators suggest that the Indian economy is well placed to take on the challenges of 2022-23.

Never miss a story! Stay connected and informed with Mint. [Download](#) our App Now!!

Log in to our website to save your bookmarks. It'll just take a moment.

Oops! Looks like you have exceeded the limit to bookmark the image. Remove some to bookmark this image.

Your session has expired, please login again.

You are now subscribed to our newsletters. In case you can't find any email from our side, please check the spam folder.

This is a subscriber only feature [Subscribe Now](#) to get daily updates on WhatsApp

**END**

Downloaded from **crackIAS.com**

© **Zuccess App** by crackIAS.com